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crores only) exclusive of such debentures as the Bank may from time to time redeem, such debentures being issued for periods not exceeding in any case 25 years from the date of issue and bearing interest at a rate not exceeding the rate of interest approved by the Reserve Bank of India for each floatation ".

The resolution was put and carried.

VI.—PRESENTATION OF THE FIRST SUPPLEMENTARY STATEMENT OF EXPENDITURE FOR 1965-66.

THE HON. SRI M. BHAKTAVATSALAM: Mr. Chairman, Sir, I rise to present the first Supplementary Estimates for the year 1965-66. A detailed statement explaining the demands under different grants has been placed on the table of the House. The total supplementary demand is for a sum of Rs. 19·73 crores, of which, however only a sum of Rs. 3·10 crores is on Revenue Account, the balance of Rs. 16·63 crores being on Capital and Loan Accounts.

2. The most significant additional liability on Revenue Account reflected in these Supplementary Estimates relates to the increase in rates of dearness allowance of our employees sanctioned towards the end of last month. With this increase, which will take effect from the pay for July due on the first of August 1965, the rates of dearness allowance of our employees will be on par with those of corresponding grades under Government of India, and will in fact be slightly better in the pay range Rs. 90—109. As on previous occasions, this increase in rates of dearness allowance will also apply to the employees of local bodies and teachers in aided institutions. The additional financial commitment on account of this enhancement of rates of dearness allowance has been estimated at Rs. 3·4 crores per annum, and towards the additional expenditure anticipated in the current year, a provision of Rs. 2 crores has been made under " 71. Miscellaneous ". This provision will be surrendered in due course and additional appropriation sought under " dearness allowance " under the various grants when the Revised Estimates for 1965-66 are finalised. This increase in the rates of dearness allowance, coming in the wake of the substantial increase which we had sanctioned in March last, has, no doubt, cast serious strain on our Ways and Means. But we hope that the Finance Commission, which is now in session, will take note of this inevitable commitment in their assessment of the financial needs of the State and propose adequate devolution of resources.

3. We have implemented a comprehensive programme of reorganisation of the Transport department and have strengthened the staff for inspection of stage carriages and trucks at various levels. Provision has been made in the Supplementary Estimates for about Rs. 6.48 lakhs towards the expenditure on additional establishment. We hope that this strengthening of the administrative

machinery for enforcement of Motor Vehicles Acts will bring about a significant improvement in revenues realised from taxes on motor vehicles and thus justify fully the additional expenditure incurred.

4. The Government have also recently made a review of the measures needed for the strengthening of the Police force in numbers and in equipment and have sanctioned a number of proposals, which will improve the efficiency of the Police force and thus assist in maintenance of Law and Order in the State. Provision has been made in the Supplementary Estimates for Rs. 48.79 lakhs for these measures calculated to improve the mobility and strength of the Police force.

5. The House should be glad to notice the provision included in Supplementary Estimates for the appointment of special engineering staff for the Sethusamudram Project. The expenditure on this account will be fully reimbursed by the Government of India who are committed to this Project now.

6. Among the new proposals of a capital nature, for which approval is sought in the Supplementary Estimates, the most important relates to the formation of the Small Industries Corporation. Honourable Members are aware that since the commencement of the Second Five-Year Plan, we have set up a large number of small-scale industrial units in different parts of the State. Production in most of these units has picked up and some of them are also making profits on a significant scale. With a view to facilitate the functioning of these small-scale industrial units on efficient and commercial lines, it is considered necessary to provide for their management through an autonomous Corporation. The formation of this Corporation will impart the necessary measure of flexibility and freedom of management, which is so essential for the successful running of a commercial enterprise. The value of the assets of the small-scale industrial units to be transferred to the Corporation has been assessed at Rs. 7·6 crores Of this, a sum of Rs. 4 crores will be treated as contribution of the Government towards the share capital of the Corporation and the balance will be treated as loan repayable by the Corporation. Provision has been made accordingly in the Supplementary Estimates. The value realised by transfer of units to the Corporation will figure on the receipts side of the Budget. The proposals now before the House do not, therefore, represent any additional financial liability and the provision now made in the Supplementary Estimates under Capital and Loan heads for this purpose is only in compliance with a budgetary formality.

7. The provision sought under other capital heads generally reflects the increasing tempo of execution of Plan schemes. In particular, approval has been sought through token grants for a number of new minor irrigation schemes. I would invite the attention of the Honourable Members to the details of the new minor

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irrigation schemes furnished under Demand "XLII. Capital Outlay on Irrigation" on pages 32 to 34 of the statement placed on the table of the House. A number of other programmes relating to the augmentation of agricultural production also figure in the Supplementary Estimates. We have also, availed ourselves of the financial assistance offered by the Government of India under the Crash Programme and have provided for the sanction of loans to the extent of Rs. 15 lakhs to various local bodies for schemes relating to utilization of sewage water.

8. With a view to relieve the shortage in supplies of pulses and stabilise their price level, the Government have undertaken a big programme of purchase of gram and gramdhal from other State Governments and for their distribution in this State at fair prices. The State Governments of Punjab, Madhya Pradesh and Rajasthan have been kind enough to respond to our request for allotment of large quantities of gram and gramdhal. We have arranged for the procurement from these Governments of 81,600 tonnes, valued at Rs. 6.11 crores. Provision has been made for this purpose in the Supplementary Estimates. The outlay on this account will of course be covered fully in due course by receipts from sales to the public and there will therefore be no net financial liability to the State Government.

9. The other proposals included in the Supplementary Estimates do not call for any special comments apart from the detailed explanatory notes furnished in the statement.

10. With these words, Sir, I commend the Supplementary Estimates for the acceptance of the House.

VII.—DISCUSSION ON THE ANNUAL FINANCIAL STATEMENT FOR 1965-66 AND SUPPLEMENTARY FINANCIAL STATEMENT FOR 1964-65 OF THE MADRAS STATE ELECTRICITY BOARD—*cont.*

MR. CHAIRMAN : We will now resume discussion on the Electricity Board Budget.

DR. H. V. HANDE : On a point of order, Sir. There is a case pending in the Supreme Court. Any discussion on the labour policy might be contempt of the Supreme Court and the Hon. Chairman and all of us may be in trouble. The case pending in the Supreme Court is about the labour unrest in the State Electricity Board. Yesterday the Hon. Minister for Industries read out a sentence saying that the relationship between the employees and the Board was cordial. Sir, I think the Hon. Chairman and all of us will get into trouble if the relationship between the employees and the Electricity Board is discussed, because it is now sub-judice.

MR. CHAIRMAN : Does the Hon. Minister want to say anything?

THE HON. SRI R. VENKATARAMAN : I do not want to say anything.